



## **AWH Continues Expansion with Agreement to Acquire Four Maryland Dispensaries**

January 25, 2023

*– Enters into a definitive agreement to acquire four operating dispensaries in Maryland –*

*– Enters operations in its seventh state –*

NEW YORK, Jan. 25, 2023 /PRNewswire/ - **Ascend Wellness Holdings, Inc.** ("AWH" or the "Company") (CSE: AAWH.U) (OTCQX: AAWH), a multi-state, vertically-integrated cannabis operator focused on bettering lives through cannabis, announced that today it entered into a definitive agreement (the "Agreement") to acquire the Maryland assets of Devi Holdings, Inc. ("Devi"), which owns and operates four licensed dispensaries in Aberdeen, Crofton, Ellicott City, and Laurel under the names Nature's Medicines and True Wellness. The Agreement will expand AWH's operations into a seventh state as the company continues to build its footprint in limited license states across the Midwest and East Coast.

"Maryland is an ideal state to expand our footprint – home to more than six million people, a mature medical cannabis program, and voter-approved support to create an adult-use cannabis market," said Abner Kurtin, Executive Chairman and Founder of AWH. "This Agreement reflects our strategy of entering limited-license, late-stage medical markets with an anticipated adult-use cannabis market launch. This approach has made AWH a leader in New Jersey and Illinois, and we are following the same playbook in Ohio, Pennsylvania, and now, Maryland."

### **Transaction Details**

Upon closing of the Agreement, AWH will acquire 100% of the membership interests of Devi's Maryland dispensaries and related real property holding companies for \$19 million, \$12 million of which will be paid in cash and \$7 million, or 5.19 million shares, of Class A Common Stock. The close of the transaction is pending the satisfaction or waiver of customary closing conditions and the receipt of approval for the transfer of the licenses from Maryland regulatory authorities.

"This transaction represents an opportunity to allocate capital to a business that is accretive based on run rate medical earnings, and we expect it to be significantly accretive with conservative adult-use sales assumptions. We take issuing equity very seriously and considered this transaction worthy given the attractive valuation, existing run rate sales of \$17 million, and \$3 million of real estate included in the transaction," said Dan Neville, CFO and interim co-CEO of AWH. "We appreciate Seaport Global's support as our financial advisor on this transaction and look forward to closing and welcoming patients in Maryland."

### **Maryland Market**

There are currently 102 dispensaries in Maryland, approximately one for every 1,600 registered patients. The Maryland Medical Cannabis Commission reported 2021 medical cannabis sales of \$600 million, with the 2022 MJBiz Factbook projecting 2022 sales reaching up to \$725 million. BDSA previously estimated that, should adult-use sales be permitted to commence, Maryland's cannabis market will reach \$1 billion in annual sales by 2024. On November 8, 2022, Maryland voters approved Question 4, making recreational cannabis legal in the state.

### **About AWH:**

AWH is a vertically integrated operator with assets in Illinois, Michigan, Ohio, Massachusetts, New Jersey, and Pennsylvania. AWH owns and operates state-of-the-art cultivation facilities, growing award-winning strains and producing a curated selection of products. AWH produces and distributes its in-house Ozone, Ozone Reserve, and Simply Herb branded products. For more information, visit [www.awholdings.com](http://www.awholdings.com).

### **Forward-Looking Statements**

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding the plans, intentions, expectations, estimates, and beliefs of the Company. Words such as "expects", "continue", "will", "anticipates" and "intends" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the Company's current projections and expectations about future events and financial trends, and on certain assumptions and analyses made by the Company in light of experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such factors include, among others: the risks and uncertainties identified in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and in the Company's other reports and filings with the applicable Canadian securities regulators and the U.S. Securities and Exchange Commission. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly, readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

**The CSE has not reviewed, approved or disapproved the content of this news release.**

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